

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1195 - SB 1021

April 4, 2011

SUMMARY OF BILL: Creates the Tennessee Hope Prospective Teacher's Scholarship (THPTS) for certain students pursuing teaching careers that have met certain academic requirements, completed at least 90 semester hours towards a baccalaureate degree, and have been formerly admitted to a teacher education program, or been enrolled in a master of arts teaching program as a graduate student. Requires students who have received the THPTS to agree to work in the Tennessee public school system for three years within five years after graduation, or repay all funds received if the provision is not met. Requires the THPTS to be a \$10,000 award for full-time attendance for one academic year. Authorizes the Tennessee Student Assistance Corporation (TSAC) to promulgate rules and regulations.

ESTIMATED FISCAL IMPACT:

On March 15, 2011, a fiscal note was issued estimating a fiscal impact as follows:

Increase State Expenditures - \$32,870,000/Lottery for Education Account

Due to the repayment provision of this bill being erroneously omitted from analysis for this fiscal note, this impact was in error. After taking this provision into consideration, the estimated impact is:

(CORRECTED)

Increase State Expenditures –

\$32,870,000/FY11-12/Lottery for Education Account

\$32,870,000/FY12-13/Lottery for Education Account

\$32,870,000/FY13-14/Lottery for Education Account

**Net Impact - \$24,650,000/FY14-15 and Subsequent Years/
Lottery for Education Account**

Assumptions:

- According to TSAC, approximately 3,287 students will qualify for the THPTS each year. This number is based on current student enrollment data and assumes 891 qualified undergraduate students and 2,396 qualified graduate students.

- The recurring increase in state expenditures from the Lottery for Education Account (LFEA) will be \$32,870,000 (3,287 students x \$10,000).
- Beginning in FY14-15, some recipients of the Tennessee Hope Prospective Teacher's Scholarship will be required to repay the scholarship because they will not have met the requirement to work as a teacher in the Tennessee public school system for three of the first five years following graduation.
- It is estimated that 25 percent (or 822) of FY11-12 recipients will be required to repay their Tennessee Hope Prospective Teacher's Scholarship beginning in FY14-15. This number is assumed to remain constant in subsequent years.
- The net recurring increase in state expenditures from the LFEA will be \$24,650,000 [$\$32,870,000 - (822 \times \$10,000)$].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc